

ENTERED

January 08, 2025

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In Re:

WELLPATH HOLDINGS, INC., *et al.*,

Debtors.

Chapter 11

Case No. 24-90533 (ARP)

(Jointly Administered)

**STIPULATION AND AGREED ORDER
REGARDING OBJECTION AND RESERVATION OF RIGHTS OF JDY INC.
TO DEBTORS' (I) PROPOSED CURE AMOUNT, AND (II) POTENTIAL
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS RELATED TO
THE RECOVERY SOLUTIONS SALE [DOCKET NO. 558]**

JDY, Inc. d/b/a Regency Office Products ("Regency") and the above-captioned debtors and debtors in possession (collectively, the "Debtors") hereby enter into this stipulation and agreed order (the "Stipulation") as follows:

WHEREAS, on November 11, 2024 ("Petition Date"), each of the Debtors filed voluntary petitions for relief under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), which cases are being jointly administered under Case No. 24-90533 in the United States Bankruptcy Court for the Southern District of Texas.

WHEREAS, on the Petition Date, the Debtors filed the Bidding Procedures Motion,¹ which, among other things, sought to establish separate bidding and sale processes for (i) the

¹ *Debtors' Emergency Motion For Entry Of Orders (I)(A) Approving The Bidding Procedures For The Sale Of The Debtors' Assets, (B) Approving Entry Into A Stalking Horse Purchase Agreement For The Recovery Solutions Assets, (C) Authorizing The Recovery Solutions Expense Reimbursement, (D) Authorizing Potential Selection Of Stalking Horse Bidders For The Corrections Assets And Approving Related Corrections Asset(s) Bid Protections, (E) Establishing Related Dates And Deadlines, (F) Approving The Form And Manner Of Notice Thereof, And (G) Approving The Assumption And Assignment Procedures, (II)(A) Approving The Sale Of The Debtors' Assets Free And Clear Of Liens, Claims, Interests, And Encumbrances, (B) Authorizing the Assumption And Assignment Of Executory Contracts And Unexpired Leases, And (III) Granting Related Relief [Docket No. 21] (the "Bidding Procedures")*

Debtors' Recovery Solutions Assets (the "Recovery Solutions Sale Transaction(s)") and (ii) the Debtors' Corrections Assets (the "Corrections Sale Transaction(s)"). On December 11, 2024, the Court entered a stipulated and agreed amended order approving the Bidding Procedures Motion including, among other things, the Assumption and Assignment Procedures as defined therein [Docket No. 384] (the "Bidding Procedures Order").

WHEREAS, on November 27, 2024, pursuant to the Assumption and Assignment Procedures, the Debtors filed the Notice [Docket No. 194] wherein it listed Regency as a counterparty on the Potential Assumed Contracts Schedule with a proposed cure cost in the amount of \$135,469.60 (the "Debtors' Proposed Cure Cost").

WHEREAS, on December 20, 2024, Regency filed its *Objection and Reservation of Rights of JDY Inc. To Debtors' (I) Proposed Cure Amount, and (II) Potential Assumption and Assignment of Executory Contracts Related to The Recovery Solutions Sale* [Docket No. 558] (the "Objection").

NOW, THEREFORE, IT IS STIPULATED, AGREED AND ORDERED:

1. The Debtors will not assume and assign Regency's Purchasing Agreement (as defined in the Objection) as part of the Recovery Solutions Sale Transaction(s).
2. Once the Recovery Solutions Sale Transaction(s) closes, Regency will have no further obligations under the Purchasing Agreement to provide Products or services to the locations sold as part of the Recovery Solutions Sale Transaction(s).
3. Based on the foregoing, Regency withdraws its Assumption and Assignment Objection to the Recovery Solutions Sale Transaction(s); provided, however, Regency expressly


Motion"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Motion and the *Notice of Potential Assumption and Assignment of Executory Contracts or Unexpired Leases and Cure Amount* [Docket No. 194] (the "Notice").

preserves its Objection to the Debtors' Proposed Cure Cost and reserves all other rights and objections to any proposed assumption or assignment of the Purchasing Agreement, whether as part of the Plan, as may be amended [Docket No. 564], the Corrections Sale Transaction(s) or otherwise.

4. Nothing in this Stipulation is intended to be, or should be construed as, a waiver by Regency of any of its rights under the Purchasing Agreement, the Bankruptcy Code, or applicable law. Regency expressly reserves all such rights, including, without limitation, the right to: (a) assert any additional objections with respect to the Debtors' Proposed Cure Cost and any proposed assumption of the Purchasing Agreement on any and all grounds; (b) amend the Cure Cost (as defined in the Objection); (c) assert any nonmonetary defaults under the Purchasing Agreement; (d) assert any rights for indemnification or contribution against the Debtors arising under the Purchasing Agreement; and (e) assert any further objections as it deems necessary or appropriate.

5. This Court retains exclusive jurisdiction over any matter arising from or related to the implementation, interpretation, and enforcement of this Stipulation.

Signed: January 08, 2025


Alfredo R Pérez
United States Bankruptcy Judge

STIPULATED AND AGREED TO THIS 8TH DAY OF JANUARY 2025:

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